

HOUSE BILL No. 1481

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-2-10-1.

Synopsis: Employee unpaid wage claims. Increases from \$600 to \$2,000 the maximum amount an employee may claim as unpaid compensation against an employer that goes out of business or files bankruptcy. Establishes: (1) an employee's claim for unpaid compensation as a secured interest; and (2) the employee as a secured creditor.

Effective: July 1, 2003.

Pflum, Liggett

January 15, 2003, read first time and referred to Committee on Labor and Employment.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1481

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-2-10-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. ~~Hereafter~~, When the
3 property of any company, corporation, limited liability company, firm,
4 or person, engaged in any manufacturing, mechanical, agricultural, or
5 other business or employment, or in the construction of any work or
6 building, shall be seized upon any mesne or final process of any court
7 of the state, or where their business shall be suspended by the action of
8 creditors or put into the hands of any assignee, receiver, or trustee, then
9 in all such cases ~~the debts owing to laborers or employees which have~~
10 ~~accrued by reason of their labor or employment to~~ **shall have a claim**
11 **for** an amount not exceeding ~~six hundred two thousand~~ **(\$600)**
12 ~~to each (\$2,000) per~~ **employee for work and labor performed within**
13 **three (3) months next preceding before** the seizure of such property.
14 **This claim** shall be considered and treated as ~~preferred debts a~~
15 **secured interest**, and ~~such the~~ laborers or employees **having a claim**
16 **for unpaid compensation** shall be ~~preferred secured~~ **secured** creditors and



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1 shall be first paid in full, and if there be not sufficient to pay them in
2 full then the same shall be paid to them pro rata, after paying costs;
3 however, the term employees as used in this section shall include
4 traveling salesmen, traveling agents, and manufacturers' agents,
5 whether they are employed under monthly or yearly contracts or
6 otherwise.

7 SECTION 2. [EFFECTIVE JULY 1, 2003] **IC 22-2-10-1, as**
8 **amended by this act, applies to compensation first payable after**
9 **June 30, 2003.**

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